

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2009-411-G

In the Matter Of)	
)	
Application of Piedmont Natural Gas)	REQUEST FOR APPROVAL OF
Company, Inc. for Approval of Energy)	REALLOCATION OF ENERGY
Efficiency Programs)	EFFICIENCY PROGRAM FUNDS

Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”), through counsel and pursuant to S.C. Code § 58-37-20, respectfully requests approval of the Public Service Commission of South Carolina (“Commission”) to reallocate unexpended funds from the second program year of its energy efficiency programs approved by the Commission in its May 27, 2010 *Order Approving Energy Efficiency Programs*. In this filing, Piedmont requests that \$50,000 of unexpended funds in the Residential Low-Income Energy Efficiency Program and \$38,000 of unexpended funds in the Customer Education Program be reallocated to the High Efficiency Equipment Rebate Program. In support of this request, Piedmont respectfully shows unto the Commission as follows:

1. On May 27, 2010, in Order No. 2010-390 (“May 27th Order”), this Commission approved a settlement between Piedmont and the Office of Regulatory Staff (“ORS”) adopting three energy efficiency programs sponsored by Piedmont and offered to qualifying participants within Piedmont’s South Carolina service territory. These programs were: (1) a Residential Low-Income Energy Efficiency Program; (2) a High Efficiency Equipment Rebate Program; and (3) a Customer Education Program (collectively “Energy Efficiency Programs”).

2. The May 27th Order authorized Piedmont to implement the Energy Efficiency Programs, on an experimental basis, at a total cost not to exceed \$350,000 per year for a period of three years. The Settlement Agreement required Piedmont to notify ORS and the Commission before instituting any proposed changes, adjustment, or modifications to its Energy Efficiency Programs.

3. The Settlement Agreement authorized Piedmont to expend up to \$50,000 annually on its Customer Education Program, up to \$150,000 annually on its High Efficiency Equipment Rebate Program, and up to \$150,000 annually on its Residential Low-Income Energy Efficiency Program.

4. On January 18, 2011, in Order No. 2011-52, this Commission approved a reallocation request by Piedmont to reallocate approximately \$25,000 of unspent funds from the 2010 Low-Income Energy Efficiency Program and approximately \$40,000 of unspent funds from the 2010 Customer Education Program to the 2010 High Efficiency Equipment Rebate Program.

5. As of November 15, 2011, for program year 2011, there was approximately \$50,000 in unexpended funds available in the Residential Low-Income Energy Efficiency Program and approximately \$38,000 in unexpended funds available in the Customer Education Program. The available funds for the High Efficiency Equipment Rebate Program as of that date were close to being exhausted.

6. For the Residential Low-Income Energy Efficiency Program, Piedmont is providing funding to two different organizations that currently administer low-income energy efficiency activities. One of these organizations is now in their second year administering the funds provided and the other organization is getting ready to start their second year funding. For the first program year, Piedmont was not able to get started working with these two organizations

as quickly as initially anticipated due to filing changes to the program income guidelines, some scheduling conflicts and also the time required to complete the contractual agreements. As a result, approximately \$50,000 in program funding remains unspent in the Residential Low-Income Energy Efficiency Program. Piedmont proposes to reallocate this funding to its Equipment Rebate Program.

7. The funds allocated to the Customer Education Program for 2011 have not been fully expended either. Piedmont has completed some customer education but due to the pace that the Equipment Rebate Program funding has been depleted and the lack of ready opportunity to fully expend funding for the 2011 Customer Education Program, Piedmont proposes to reallocate the remaining balance of Customer Education Program funding of approximately \$38,000 to the Equipment Rebate Program.

8. The High Efficiency Equipment Rebate Program has again proven very popular and the annual funding allocated to that program is currently not sufficient to maintain the program's annual funding operation. In Piedmont's view, the foregoing facts suggest that a reallocation of 2011 unspent funds to the High Efficiency Equipment Rebate Program is appropriate and in the public interest.

9. As required by the Settlement Agreement and May 27th Order, Piedmont is requesting approval to reallocate the 2011 unexpended funds from the Customer Education and Residential Low-Income Energy Efficiency Programs to the High Efficiency Equipment Rebate Program for the reasons set forth above.

10. Piedmont's request is designed to make additional funding available to qualifying program participants for the installation of high efficiency gas equipment. During the first year this program was very successful and Piedmont received approval for reallocated funding. This

program has continued to be utilized by customers in our service territory at a forecasted rate greater than what was originally allocated during 2011. Piedmont believes that the reallocation of funding requested herein will be beneficial to its customers by making additional rebates available to qualifying participants in the High Efficiency Equipment Rebate Program.

11. Piedmont has discussed its proposed reallocation of unexpended funds with the Office of Regulatory Staff (“ORS”) and believes that the ORS has no concerns with Piedmont’s proposal.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission approve Piedmont’s proposed reallocation of 2011 Energy Efficiency Program funds as described herein.

Respectfully submitted, this the 3rd day of January 2012.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ James H. Jeffries IV
James H. Jeffries IV

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Request for Approval of Reallocation of Energy Efficiency Program Funds* is being served this date electronically and via UPS Overnight (5 copies) upon:

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And that a copy of the attached *Request for Approval of Reallocation of Energy Efficiency Program Funds* is being served this date electronically or via U.S. Mail upon:

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This the 3rd day of January, 2012.

s/ James H. Jeffries IV
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